Minnesota Management & Budget and Department of Administration
MAPS Policy and Procedures

MAPS Interagency Payments Policy

Objective

Provide state agencies with guidelines to process interagency payments in the Minnesota Accounting and Procurement System (MAPS).

Background

State agencies make payments to other state agencies for a variety of reasons such as purchasing of goods or services, payment of workers compensation or unemployment claims, or for grants agreements. These payments need to be processed consistently to ensure proper controls, reporting, and informational needs are met. In addition, agencies have varying needs and preferences that create issues between agencies on how payments should be made. This policy provides direction to assist in resolving these issues.

Policy

Interagency payments shall be processed utilizing MAPS capabilities that move funds between accounts without requiring the issuance of a state warrant or EFT payment. These are identified as Interagency Payments (IAP). There are limited instances when an agency will need to create a warrant to another agency because funds need to be deposited to a local bank account (LBA). An example of an LBA is a payment to DEED for an unemployment claim. Separate vendor numbers are established for each of these purposes and are identified in the Vendor File by "MN ST IAP" or "MN ST LBA" at the beginning of the agency vendor name.

Seller state agencies must establish a MAPS Vendor Number with appropriate Seller Agency and Account Type Codes to allow others to process interagency purchase orders and payments through the Procurement component of MAPS. Associated revenue budgets must also be established before submitting invoices to another state agency. For LBA payments, a vendor number, a revenue budget, and an Electronic Funds Transfer (EFT) form is required.

State Agency Vendor Numbers
If an agency does not bill and/or receive payments from other state agencies, it does not need to create an agency vendor number in MAPS. If it does, the following identifies when and what type of vendor number needs to be established.

Accounting Component Payments
Transactions originating in the Accounting component do not require a vendor number unless it is for an LBA vendor payment, which creates an EFT or a warrant, which then requires a vendor number.

Procurement Component Payments
Transactions where the purchasing/paying agency processes the payment through the Procurement Component or a payment to an LBA vendor require that the seller agency has an active agency vendor number established in the MAPS Vendor File. IAP vendor numbers must have current Seller Agency and Account Type Codes to ensure the proper processing of interagency payments. The Seller Agency Code must be established annually on the Agency Account Seller (AACG) table for each active vendor number. This does not apply to LBA vendor numbers as these transactions do not use this coding to process payments in MAPS.

Point of Entry Guide – Payment Determination
The MAPS Point of Entry Guide (POE) determines the MAPS component to be used to make the payment. However, when the POE shows a choice between the components for payment, the paying agency has the authority to determine the component in which to make the payment. All payments must comply with MAPS Policy 0803-01 *Payment Requests, Preparation and Approval*.

Invoice Requirements
Seller agencies are required to provide an invoice to the receiving agency. An acceptable invoice includes but is not limited to the following: email, paper hardcopy, facsimile or, any other printable computer attachment files such as PDF, jpg, etc. The invoice shall include payment information sufficient for the paying agency to properly process the payment. Contact information such as name, email address and phone number should be included on all invoices in case the paying agency needs additional information. If agency legacy systems do not currently print this information on the invoice, it is up to the invoicing agency to find a mechanism to communicate contact information to paying agencies.

Document Error Resolution
When a payment error occurs (e.g., the payer entered an incorrect account type code), the paying agency is responsible for correcting the error. The paying agency may work with the seller agency to resolve the error in the most efficient manner. The error correction remains the responsibility of the paying agency unless a mutual agreement with the seller agency has been reached, requiring the seller agency to make the correction.

Procedures

Interagency Payment Types
Interagency payments are processed using different payment voucher (PV) types depending on the type of transaction needed:

PV2	Interfund (payment is between two different funds) activity when a receivable was not established.
PV3	Intrafund (payment is within the same fund) activity when receivable was not established.
PV4	Expenditure reimbursement (use "2R00" object code).
PV6	Payment is against a Receivable.

Seller Agency Responsibilities

Accounting Component Payment Invoicing for Interagency Payments
The Seller Agency will provide the Paying agency with (as applicable):
- Agency Contact Information
- Amount Due
- Voucher Type
  - PV2/3/4 – accounting string info (Fund, Agency, Org, Appropriation Unit, RSCS, Object Code, Balance Sheet Account, etc.) and Vendor Invoice Number
  - PV6 - Receivable Number
- Supporting Documentation

Procurement Component Payment Invoicing for Interagency
The Seller Agency will provide the Paying Agency with (as applicable):
- Agency Contact Information
- Vendor Number
- Vendor Invoice Number (if this is a PV6, this will be the Receivable number)
- Amount Due
- Account Type Code
- Supporting Documentation

IAP Interagency Payments
For transactions using the Procurement Component, a single nine-digit vendor number is established for each three-character Agency Number (department). Additional vendor location codes can be established.

One reason for this would be if an agency needs multiple Account Type Codes so that funds can be receipted against various accounts. Each vendor number/location is limited to one Seller Account Code. However, each Seller Account Code can have multiple Account Type Codes, allowing for multiple receipt accounting strings for payments to be recorded against.

Seller Agency Codes: This code is six characters in length. The first three are the Agency Number and the remaining three characters are assigned by the seller agency. Agencies establish this code on the AACG table. This must be established before the IAP vendor number is requested. The proper agency vendor name format for "Name 1" line in the vendor begins with "MN ST IAP" and ends with the six-character Seller Agency Code. For example, the format for a vendor name would look like: "MN ST IAP State Agency Name G10XXX". Using this format makes it easier to search for agency vendor numbers.

Upon receiving a request for an IAP vendor number, MMB Vendor File staff will verify that seller agency code has been established in MAPS. Vendors cannot be approved unless the Seller Agency Code has been established on the AACG table. NOTE: Seller Agency Codes and Account Type Codes are not used for LBA vendor payments because there is no receipt side of the transaction as with IAP vendor payments.

Each Seller Agency Code must, at a minimum, establish a Default (D) Account Type Code so MAPS knows where to record the receipt side of the payment transaction. Additional Account Type Codes may be set up for each receipt accounting string where interagency receipts from other agencies should be recorded.

Account Type Codes: This code allows for multiple receipt accounting strings to be established in each fiscal year for each Seller Agency Code. The receipt accounting strings are differentiated by a two-digit Account Type Code. A default account (Account Type "D") must be established each year for each Seller Agency Code even if a specific account (01…75) or other code (R or RT) is established.

Account Type Codes are:
D	Default Account
R	Retainage Account – For Retainage Use Only
RC	CFMS Recoupment Account – Not Used
RT	CFMS Retainage Account – For Retainage Use Only
01…75	Agency Defined Receipt Accounts

The Seller Agency will establish a Revenue Budget prior to submitting a request for an interagency payment to the Paying Agency. For payments to be processed in the Procurement Component, this requires adding the Seller account record with the required budget information on the AACG table.

Paying Agency Responsibilities
For payments made in the Accounting Component, enter the payment information as provided by the selling agency.

For payments made in the Procurement Component, use the Vendor Number and Account Type Code as provided by the selling agency.

References

MAPS Policy 0701-01 *Prompt Payment Processing*
MAPS Policy 0702-01 *Encumbrances in MAPS and Point of Entry*
MAPS Policy 0803-01 *Payment Requests, Preparation and Approval*
MAPS Training - Expenditures in MAPS Accounting
MAPS Point of Entry
MAPS Payment Processing Guidelines